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January 18, 2011

VIA ELECTRONIC-DELIVERY

The Honorable Jocelyn G. Boyd
Chief Clerk & Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

Re: Application of South Carolina Electric & Gas Company for Authority to Transfer,
at Book Value, Certain Real Property to SCANA Services, Incorporated and to
Carolina Gas Transmission Corporation

Docket No. 2010-409-E

Dear Ms. Boyd:

The purpose of this letter is to inform the Public Service Commission that the Office of Regulatory Staff ("ORS") has reviewed the above referenced filing. ORS has additionally engaged in discussions with South Carolina Electric & Gas Company ("SCE&G" or "the Company") personnel and examined other documentation pertinent to this Application. Based on this review ORS has no objection to the Company's request for authorization to transfer, at book value, the designated properties along with mass grading charges included in Tracts 1 and 2 consisting of 100 and 11.2 acres respectively to SCANA Services, Inc. and Carolina Gas Transmission Corporation ("CGT").

ORS reviewed Company documentation supporting the mass grading costs and allocations to Tracts 1 and 2 as well as the smaller parcels, the transfer of the 11.2 acreage of the Field Operations Facility site from non-utility property to common utility property effective January 2010 and the calculation of the \$8971 CGT payment to SCE&G for use of the land. ORS supports assignment of costs that reflect cost causation and this Application proffers the results

(Continued...)

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of these transfers will allow the Company's records to reflect the true economic usage of the property.

Thank you for the opportunity to provide our comments in this matter.

Sincerely,



John W. Flitter

JWF/swb

cc: Dan F. Arnett, Chief of Staff, SC ORS
Nanette S. Edwards, Chief Counsel, SC ORS
Jeffrey M. Nelson, Esquire, SC ORS
K. Chad Burgess, Associate General Counsel, SCANA
Dr. James Spearman, Executive Assistant, SC PSC